

0510.11 Vendor Performance

Issued March 21, 1997

SUBJECT: Vendor Performance

APPLICATION: Executive Branch Departments and Sub-Units.

PURPOSE: To prescribe the process for reporting, responding, and inquiring on vendor performance activity (both positive and negative).

CONTACT AGENCY: Department of Management and Budget (DMB) - Acquisition Services

TELEPHONE: 517/335-0230

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SUMMARY: OTHER INFORMATION: The Vendor Performance module in ADPICS was implemented to provide State agencies with an efficient method of recording Vendor Performance issues (both positive and negative). This process is important in establishing a record of Vendor Performance, as well necessary documentation for contract management. Agencies will be able to inquire on current investigations, as well as view a vendor's complete history of performance

APPLICABLE FORMS:

Vendor Performance (PCHL 5260)
Vendor Performance Disposition (PCHL 5270)
Vendor Performance Inquiry (PCHL 5280)

PROCEDURES:

Department/Agency Personnel:

- Identifies that a problem exists with a vendor's performance relative to an existing contract (Purchase Order, Direct Purchase Order, or Blanket Purchase Order).
- Reviews the terms, conditions, and specifications of the contract to verify that the perceived level of performance is a requirement of the contract. It is important to understand the contract and know the obligations of both the contractor and the State.
- Make initial voice contact with the vendor in an attempt to resolve the issue. To give the vendor adequate notice, or time to refute or resolve the complaint, contact should be made close to the date of the incident that gives rise to the complaint. Agency may include the following points in the conversation:
 - Description of the specific problem.
 - Description of the actions the vendor must take to resolve the problem.
 - Date by which the actions need to be taken (allow reasonable time appropriate to the circumstances).
- Initiate/create a Vendor Performance record including the following:
 - Vendor ID and Mail Code
 - Performance Code (F2 table lookup)

- Order Number - it is very important to enter the PO, DPO, or BPO number in this field.
- A detailed description of the complaint (including dates, part numbers, invoice numbers, etc).
- Highlights of any conversations with the vendor (including date of contact, name of person contacted, actions to be taken, and deadline for completing the actions)
- Indication of the desired action to be taken by Acquisition Services.
- Name of the agency contact person and telephone number. It is very important to include this information in the Contact and Phone fields on the Vendor Performance record. With this information, the vendor can follow-up with any questions or concerns, and DMB-Acquisition Services can report disposition.
- Evaluate resolution if resolved.

- Once the Vendor Performance record is completed send a signed copy to the vendor.
- If the situation requires the immediate intervention of Acquisition Services, call the buyer who initiated the contract or DMB-Acquisition Services at 517-335-0230.
- A Performance ID number is assigned to the document once it's saved. At any time, agencies may inquire on the status of the investigation or on all Vendor Performance records for a vendor, using the Vendor Performance Inquiry (PCHL 5280).

DMB-Acquisition Services:

- Each week DMB-Acquisition Services will generate a report of Vendor Performance records that were created the previous week, as well as all unresolved Vendor Performance records. DMB-Acquisition Services will contact the agency on each Vendor Performance. If a resolution has occurred, DMB-Acquisition Services will post the Vendor Performance with a resolution and disposition. If the problem has not been resolved, DMB-Acquisition Services will work with the agency and vendor to resolve the issue(s).
- DMB-Acquisition Services will make every effort to resolve Vendor Performance records within 30 days of assignment. DMB-Acquisition Services will post the Vendor Performance with the resolution or document the action plan to resolve the problem that has been agreed to by the agency, the vendor and DMB-Acquisition Services. Vendor Performance records on contracts that were initiated by the agency can be posted by the agency.
- For contracts that were initiated by DMB-Acquisition Services, DMB-Acquisition Services must be the party that takes any necessary action related to canceling a contract, or the suspension or debarment of a vendor, after consideration and consultation with the using agency of a contract.

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Procedure Update: 01/09/03
Procedure 0510.11